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RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2629
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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000830

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SUBJECT: CENTER-LEFT LEADER SAYS MAOISTS DIFFICULT TO
PREDICT

REF: KATHMANDU 825

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) MK Nepal, General Secretary of the center-left Communist Party of Nepal-United Marxist Leninist (CPN-UML), told the Ambassador April 21 that he believed there was an internal struggle within the Maoist ranks that made it difficult to predict their next move. MK Nepal reiterated his frustration with the Government of Nepal's (GON) failure to hold the Maoists accountable and restore law and order. MK Nepal stated that the CPN-UML had to be very careful about speaking out because the party would be blamed for "causing trouble." The Ambassador disagreed and stressed the need for leadership. The Ambassador suggested that the Maoists might attempt to use the failure of the King as grounds to purge the Nepal Army. MK Nepal noted that the international community's opposition would make an attempt to overthrow the government through force unattractive to the Maoists. MK Nepal and the Ambassador agreed that the UN-monitored cantonments were dangerous. MK Nepal maintained that if the Constituent Assembly election could not be held in June, a referendum to determine the fate of the monarchy should be held in June instead.

Divisions Within the Maoists

2. (C) On April 21, Madhav Kumar Nepal, General Secretary of the center-left CPN-UML told the Ambassador that the Maoists needed to accept that multi-party competition was healthy. Although there were some indications that the Maoists were moving in this direction, they could not yet be trusted. It was difficult to predict what the Maoists would do because their behavior was inconsistent; they said some positive things, but then continued to use intimidation indiscriminately. MK Nepal speculated that there might be an internal struggle going on within the Communist Party of Nepal (Maoist). Maoist leader Baburam Bhattarai and even more "die hard" party members were claiming that only a few Maoists were benefiting from the current state of affairs. This faction was asking, "Where is the revolution?" However, Maoist Chairman Pushpa Dahal (aka Prachanda) was less rigid

and still had the upper hand in the party.

Speak Out Carefully

13. (C) MK Nepal expressed his frustration with the continuing failure by the Government of Nepal (GON) to act against the Maoists and accused the Nepali Congress Party of taking a very short-term view. MK Nepal suggested that the recent government raids on Young Communist League (YCL) offices in and around Kathmandu had failed to recover any illegal weapons because the Home Ministry had tipped off the Maoists in advance. In response to the Ambassador's question of whether the CPN-UML would speak out against the Maoists and the GON's complacency, MK Nepal stated that his party had to be "very careful" because the Nepali Congress would blame them for disrupting the peace and "causing trouble." The Ambassador disagreed and told MK that the country needed leadership now; speaking out would likely win the CPN-UML support. At the district level, the Maoists were crushing the CPN-UML's party workers. The Ambassador stressed that the Maoists would be the only ones who would benefit from divisions among the other political parties in the coalition government.

Optimism Misplaced

14. (C) The Ambassador noted that, over the past eleven months, many voices in Nepal had misplaced confidence in the Maoists being willing to change their behavior and move into the political mainstream. The Ambassador voiced regret that the Office of the High Commissioner for Human Rights in Nepal

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(OHCHR), and several other foreign missions and organizations in Kathmandu, did not understand the level of extortion and intimidation in the countryside. The Ambassador stressed that the Maoists had not changed and that their goal was not multi-party democracy but a monopoly on state power. The Ambassador told MK Nepal that the Maoists knew that they could not win an election and would look for other ways to gain power. He suggested that the Maoists might seek to remove the King as justification for a subsequent purge of the Nepal Army, which was perhaps the only force left blocking them from taking over the GON. MK Nepal agreed that the army posed an obstacle to the Maoists. However, MK Nepal also remarked that the opposition of the international community, particularly the U.S. and India, was another obstacle. He explained that the Maoists knew that if they attempted to overthrow the government through force, they would be criticized and isolated by the international community.

Problems with the Cantonments

15. (C) The Ambassador noted that the Maoists were now using the UN-monitored cantonments as training sites for new recruits; even after three and half months, they had made no attempt to clear out children and "new" recruits. MK Nepal agreed that the camps were dangerous and that the "so-called combatants" in the camps needed to be released and re-integrated back into society. He told the Ambassador that he had received a report on April 20 from Rapti zone that the combatants had left the camp to battle with locals over a water source. The CPN-UML General Secretary stressed that the GON needed to take action to clean up the camps. Both the Ambassador and MK Nepal agreed that the United Nations Mission in Nepal (UNMIN) would probably not take the lead to solve this problem.

If No Election, Need Referendum

16. (C) MK Nepal insisted that the Constituent Assembly

election should be held as soon as possible; if the election could not be held in June, there should be a referendum to determine the fate of the monarchy. The CPN-UML head explained that a referendum would show the people that the peace process was moving forward. MK Nepal told the Ambassador that, to create the proper atmosphere for elections, the GON needed to deal with the Maoists and the Madhesis. The Maoists needed to return confiscated property, allow people to return to their villages, and stop extortion and intimidation. As regards the Madhesis, the GON needed to either fulfill their demands, persuade them to drop their demands or, otherwise deal with them "effectively." The Ambassador suggested that a system of phased elections should be considered. He explained that, with phased elections, more police and international observers would be available for each polling station. The General Secretary conceded that phased elections might work and claimed that, as long as the elections were deemed fair in 75 percent of the districts, voting could be held again in the remaining 25 percent. He also stressed that the Nepal Army would be needed to conduct the elections and suggested that Prachanda should be so advised.

Comment

17. (C) MK Nepal has been a persistent critic of the Government of Nepal, of which his party, the CPN-UML, is a leading member. He has frequently made it more difficult for Prime Minister Koirala and the PM's Nepali Congress Party to condemn the Maoists by his own failure to condemn publicly Maoist abuses and his not-infrequent, pro-Communist posturing with his Maoist comrades, most recently on the occasion of Lenin's birthday on April 23. In theory, a referendum on the fate of the monarchy could be useful. From the CPN-UML's perspective it would take a big issue off the table and show progress in the peace process. Our concern and that of others, however, is that the Maoists might take advantage of

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a referendum for nefarious ends to ensure a Constituent Assembly election never takes place (reftel). If the security situation fails to improve, a free and fair referendum on the monarchy will be no more possible than a full-blown Constituent Assembly election in June or in the Autumn.
MORIARTY